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ABSTRACT

The economy of the six New England states expanded swiftly during 1972, with 67,000 jobs being added, which moved the job total close to the previous record of 1969. A slowdown was observed in the rise of both prices and wages in New England under Phase II of the Economic Stabilization Program. However, retail food prices rose four times as much as in 1971, soaring locally by 43 percent in the past decade and 95 percent since 1947. At wholesale, the price gains of industrial commodities have slackened, except for leather and lumber products. The average weekly earnings for factory workers reached a new high to nearly $148, although wage advances tapered off because of the Stabilization Act. Union participation and time lost due to strikes are below the national average. Of the jobs added in New England, 24,000 were in the region's factories and 43,000 in nonmanufacturing work. (Author/AG)

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NEW ENGLAND LABOR AND THE ECONOMY AT THE YEAR-END 1972

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Regional Report Number 73-1

U. S. DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS

JOHN FITZGERALD KENNEDY FEDERAL BUILDING

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NEW ENGLAND LABOR AND THE ECONOMY AT YEAR-END 1972

I. Prices and Cost of Living
II. Wages and Labor-Management Relations
III. Manpower and Employment

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NEW ENGLAND LABOR AND THE ECONOMY AT THE YEAR-END

I. *Prices and Cost of Living*

II. *Wages and Labor-Management Relations*

III. *Manpower and Employment*

SUMMARY

The economy of the six-state region expanded swiftly during 1972, especially after the mid-year, as factories and other employers added workers and the job total moved close to the previous record of 1969. At the same time, 1972 witnessed a slowdown in the rise of both prices and wages in New England under Phase II of the Economic Stabilization Program.

Except for retail food prices which rose four times as much as in 1971, there was a noticeable leveling off in the rate of price increase during 1972. Over a longer period, however, retail prices have soared locally by 43 percent in the past decade and 95 percent since 25 years ago in 1947. At wholesale, the price gains of industrial commodities have slackened except for leather and lumber products. The farm and food groups, mostly uncontrolled at the first seller's level, advanced sharply in 1972.

The past year has also included a tapering off in wage advances compared to recent years as the braking effect of the Stabilization Act has been felt in labor-management negotiations. Factory workers in New England, however, reached a new high in weekly earnings as wage hikes and longer hours of work combined to lift the weekly average to a peak of nearly $148. Lost time because of strikes in 1972 was well below the average for the past five years. The percentage of the New England labor force belonging to unions was below the U. S. figure.

While price and wage behavior were both displaying more restraint in most commodity groups and industry sectors, New England added 67,000 jobs during 1972. Of these, 24,000 were in the region's factories and 43,000 in nonmanufacturing. The overall number of jobs rose steadily throughout the year, and the October total was second only to the booming 1969 October in the Region's employment history.

I. PRICES AND COST OF LIVING

Retail Price Gains in 1972

Boston retail prices advanced 3.2 percent during the January-to-October period of 1972 compared to a rise of 3.1 percent during the identical period in 1971. In both years, these increases were substantially less than in the same nine months of the two previous years--5.1 percent in 1970 and 5.2 percent in 1969.

The slowdown in the long and steady rise in consumer prices in the Boston metropolitan area was due in large measure to the impact of the Economic Stabilization Program initiated in August 1971. During Phase II of the controls, effective November 1971, retail prices rose by 3.5 percent in Boston from October 1971 to October 1972, compared to the previous 12-month rise of 4.3 percent.

Food Major Culprit in 1972 Price Rise

If the Greater Boston housewife did not notice the slowdown in the rise of the Consumer Price Index during the first nine months of the year, it was undoubtedly due to the strong pressure or rising food prices on the family pocketbook. Unlike most commodities, food is purchased everyday, and consumers are acutely aware of rising prices. For the first time since 1966, the cost of putting food on the family table rose more than 5 percent during the first three-quarters of the year. The 1972 food price increase of 5.4 percent was more than four times the increase in the comparable period in the preceding year. Certain agricultural products--live cattle, calves, sheep, lamb, poultry, raw milk, and grains--were exempt from controls during the post-freeze period. Consequently, the food group, which takes over 20 percent of

the Boston consumer's spending dollar, rose more than the other consumer groups. Leading the food price rise were substantial price hikes for meats, poultry and fish and fruits and vegetables. The first subgroup--meats, poultry and fish--increased 8.6 percent in the January-to-October period, while the second--fruits and vegetables--moved up 8.8 percent.

The cost of family meals presented a serious problem to the Boston housewife when the prices prevailing in October of 1972 are considered. White bread sold at 27 cents a pound, choice grade of top round steak $1.81 a pound, preground hamburger 91 cents a pound, bacon $1.05 a pound, center-cut pork chops $1.24 a pound, frankfurters 97 cents a pound, fresh grocery store milk 60 cents per half-gallon, potatoes $1.11 for a ten-pound bag, oranges $1.05 a dozen, eggs 65 cents a dozen, butter 82 cents a pound, and coffee 96 cents a pound.

Over the nine-month period of January to October, cereals and bakery products were up 2.7 percent, dairy products 3.0 percent, and other foods at home 4.0 percent. If the beleagured Boston family entertained thoughts of "eating out" occasionally, it had to contend with an increase of almost 4 percent in the prices of restaurant meals in the January-October period.

Apparel and Upkeep

Wearing apparel showed the second largest gain of the consumer groups, advancing 4.8 percent over the January-to-October period. The 1972 increase was only slightly higher than the 4.5 percent rise in the first nine months of 1971. However, similar calendar comparisons in 1968, 1969, and 1970 show clothing price gains as follows: 8.7 percent in 1968, 8.0 percent in 1969, and 7.5 percent in 1970. During the first nine months of 1972, women's and

girl's clothing prices advanced 7.0 percent and men's and boy's apparel items 2.7 percent. Footwear continued its long and steady advance, moving up 4.7 percent in the first three-quarters of 1972 and more than 7 percent in the 12 months ending in October of 1972.

Housing Costs Slow Rise

The consumer category which takes the largest share of the Boston family dollar, housing, increased less during the first nine months of 1972 than in any comparable calendar period since 1967. The composite housing index was up 2.7 percent in 1972 compared to 4.7 percent in a similar period of 1971, 5.1 percent in 1970, and 6.4 percent in 1969. Homeownership costs--home purchases, mortgage interest rates, taxes, insurance and maintenance--slowed down to a 1972 nine-month advance of 1.9 percent. In the previous four years, homeownership costs increased anywhere from 6.6 percent to 10.3 percent for comparable calendar periods. Residential rents continued to move up, and in October were 4.2 percent higher than at the first of the year. This reverses the trend which took place in 1971 when costs for homeowners increased at a faster pace than those for renters. In the past decade, homeownership costs in the Boston metropolitan area have gone up 68 percent and residential rents 43 percent.

Transportation Cost Up Less Than One Percent

The cost of traveling represented the best consumer buy in the Boston area in 1972 since it had the smallest price increase of all the major consumption groups in the Consumer Price Index. Transportation costs, private and public combined, advanced 0.7 percent in 1972. The private segment--automobiles, automobile services, insurance, and parking fees--showed a

modest gain averaging less than one percent. The public segment--transit fares, taxicab fares, rail, bus and plane fares--increased 0.3 percent.

Health and Recreation

Health and recreation prices were up 2.0 percent in Boston in the first nine months of 1972, a lower rate of increase than in any of the four previous years. Medical care and reading and recreation costs turned upward in 1972 after the rate of increase had declined dramatically in 1971. The increase in medical care costs, 2.2 percent in the January-to-October period, was in contrast to the 1.1 percent rise in 1971 and the rise of 5.4 percent in 1970 over the first three-quarters of each year. Reading and Recreation costs advanced by 2.6 percent over the first three-quarters of 1972 compared to 2.5 percent in the previous year and 6.9 percent in the first three-quarters of 1970.

Boston Consumer on Price Treadmill

Although consumer prices rose less rapidly in the past two years than in the previous three years, the long and steady rise contined. In the 25 years since October 1947, retail prices in the Boston area have increased by 95 percent and in the past decade by 43 percent.

The recent decade of rising prices since 1962 reflects a wide range of changes in the major consumption groups. Transportation, for example, advanced 31 percent in 10 years, apparel 36 percent, food 42 percent, health and recreation 45 percent, and housing 48 percent.

Local Price Rise Exceeds U. S.

In nearly all expenditure groups, Boston prices have risen more in the past year than in the United States as a whole. For example, Boston retail food prices in nine months of 1972 increased 5.4 percent, the largest increase of the major groups making up the BLS Consumer Price Index. For the nation as a whole, food prices were up only 3.8 percent in the same period. Housing costs were up 2.7 percent in Boston and 2.4 percent for the U.S. Apparel rose 4.8 percent in Boston, but only 3.4 percent on the average for large cities. For other spending groups, the Boston area's performance was favorable. Transportation costs, for example, were up 0.7 percent and health and recreation costs 2.0 percent, compared to 1.8 percent and 2.3 percent, respectively, averages for large cities.

Family Budget Costs

Intercity comparison of family living costs released by the Bureau of Labor Statistics in 1972 indicated that Boston families paid more than similar families located in 38 cities on the U.S. Mainland at the intermediate level of the standard budgets. The cost of this Boston budget was $12,819 for a family of four as of 1971.

The lower standard budget for Boston totaled $7,825, exceeded only by San Francisco on the U.S. Mainland. Boston was also #2 in ranking for the higher standard budget at $19,073, second only to New York City.

Wholesale Price Behavior

This price index based on commercial transactions rose by November 5.4 percent above the year earlier level. Just as retail prices for food rose most, by far the greatest impact on the wholesale index was the sharp upward

thrust of the farm products and processed foods and feeds group which jumped 10.3 percent over the past year. There was a sharp November climb of 1.4 percent in the farm and food group, following a gain of only 0.2 percent in October and a rise of .8 percent in September--all seasonally adjusted figures.

The price behavior of industrial commodities and finished goods at wholesale (excluding foods) was much more restrained in 1972 than the farm and food categories. For example, industrial commodities rose only 3.7 percent and consumer finished goods (not including food) advanced by only 2.2 percent in the 12-month period November to November under Phase II controls. Producers finished goods rose in price an average of 2.5 percent during the same period.

Price restraint, however, was not visible in many of the industrial commodities. The hide, skin and leather group, important to New England shoe manufacturing, increased by an average of 25 percent in the past 12 months. At the same time, lumber and wood prices went up 14 percent during 1972 with a resultant heavy burden on the cost of residential, commercial and industrial building, as well as on smaller wood products.

Spot Market Price Movements

Spot market prices of sensitive commodities provide clues to later price movements at wholesale and retail. Of the 22 items priced, all close to the initial production stage, only four--steers, burlap, cotton oil, and cotton--were reported toward the year-end at prices below 12 months earlier when Phase II began.

Of the price gainers, winter wheat rose 50 percent per bushel during Phase II, hides 166 percent, hogs 44 percent, print cloth 52 percent, cocoa beans 47 percent, and steel scrap 21 percent in a 12-month span.

These commodities, traded in large standardized quantities, are especially sensitive to factors influencing future economic conditions. Hence, attention must be paid to recent price performance in these spot markets compared to six months ago and a year ago. At the latter point of time, late November 1971, only 6 of the 22 items were showing weekly advances, and a half-a-year ago only 4 items were moving higher. Recently, as 1972 drew near to a close, 10 basic commodities out of 22 were trending upward.

II. WAGES AND LABOR-MANAGEMENT RELATIONS

Weekly Earnings at Historic High

Pay hikes and a longer work week pushed earnings of New England workers to a record high in 1972. By October, production workers in the six-state region were averaging $147.69, or $12.32 a week more than in the previous year. Connecticut showed the sharpest advance with average weekly earnings of $165.11, well ahead of the national average of $157.90. Average weekly earnings of the other states were: Massachusetts $148.06, Vermont $139.77, New Hampshire $128.44, Rhode Island $126.72, and Maine $125.96. Contributing to these increases was a longer work week averaging 40.5 hours, with five of the six states recording gains ranging from six-tenths of an hour up to 1.1 hours over the previous year. New Hampshire showed the least change in the work week with a gain of only two-tenths of an hour over the twelve-month period.

Union-Management Settlements

Other factors in the rise of earnings were widespread negotiated wage increases although stabilization policies slowed down the rate of advance. Major labor-management settlements in 1972 called for a 7.2 percent advance in wages the first year as compared with negotiated increases averaging 11.6 percent in 1971 and 11.9 percent in 1970. Negotiated increases in construction showed an even sharper decline, averaging 7.1 percent in 1972 compared with 12.6 percent in 1971 and 17.6 percent in 1970.

The cumulative effect of current pay controls on collective bargaining for wages and total labor costs is reflected in the following table:

Percent Changes in Wages and Benefits, 1970-1972 in the U. S.

	All Industries			Construction		
	1972	1971	1970	1972	1971	1970
First year wage adjustment	7.2	11.6	11.9	7.1	12.6	17.6
Wage rate changes over life of contract	6.6	8.1	8.9	6.6	10.8	14.9
Wages and benefits combined over life of contract	7.6	8.8	9.1	7.1	12.0	15.6

Clerical Workers' Pay Up

A slowing down in the rate of advance in wage and salary increases was also evident in the Bureau's 1972 wage survey of the Boston Standard Metropolitan Area. Over a 12-month period, wages of skilled maintenance workers increased 6.6 percent compared with 7.8 percent in the previous year's survey. Unskilled plant workers showed a 4.5 percent hike, down from the 7.7 percent increase in 1971. Clerical worker salaries, up 5.7 percent, recorded the same increase as the previous year. With minor variations, pay gains for all groups represented the lowest rate of advance since 1967.

Professional Salaries Rise

A similar pattern of change is reflected in salaries of professional, administrative and technical personnel. The BLS 1972 nationwide salary survey of engineers, accountants, buyers, directors of personnel and similar occupations showed a 5.3 percent increase over a 12-month period. This compared with a 6.7 percent rise the previous year and a 5.7 percent average annual rate of increase for these occupations over the five-year period 1966-1971.

Collective Bargaining Patterns

Collective bargaining activity was at a reduced volume in 1972 due to the continuing effect of existing long-term agreements. Contracts in major industries negotiated in earlier years and in force through this period included steel, automotive, trucking, aircraft, telephone, and electrical machinery. As a result, bargaining in 1972 involved only half as many workers as in the preceding two years--2.8 million as compared with 4.8 million in 1971 and 1970. Major bargaining in New England over the past year was largely concentrated in the textile, paper, aircraft, public utility and construction industries and in retail trade.

Manufacturing

Negotiations in the textile industry highlighted the first quarter. The pattern for this industry in New England was established when the Textile Workers Union of America, AFL-CIO, reached agreement with the Bates Mfg. Company, Pepperell Mfg., Berkshire Hathaway, and American Thread companies covering 8,000 workers in Maine, Massachusetts, and Connecticut. The contracts generally called for a 15-cent hourly pay hike on April 1 each year over a three-year period. Typically terms of this agreement are followed by textile mills employing an additional ten thousand workers in New England and the Middle Atlantic states.

Contracts in the paper industry were also largely subject to reopenings in 1972. In June and July, settlements were announced covering over 7,000 workers employed by the Great Northern Paper Company, Millinocket, Maine; Oxford Paper Company, Rumford, Maine; St. Regis Paper Company, Bucksport, Maine; and Brown Paper Company, Berlin, New Hampshire, with the United

Papermakers and Paperworkers Union and the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, both AFL-CIO. Agreements were generally for a period of two years and called for pay hikes within a range of 20 to 25 cents an hour during the first year.

In the Connecticut metalworking industry, negotiations between the United Aircraft Corporation and various unions resulted in an 8 percent pay hike to 7,000 employees. Agreements basically followed the pattern established in November 1971 by the company with the International Association of Machinists covering 15,000 employees in the Hartford area. Among plants affected in 1972 were the Hamilton Standards Division in Windsor Locks, the Pratt and Whitney Division in North Haven and the Norden Division in Norwalk and Bridgeport, Connecticut.

Public Utilities

Over 5,200 workers in electrical utilities were affected in April under agreements between the New England Electric System with the Brotherhood of Utility Workers of New England (Ind.), the IBEW, and the Utility Workers Union, AFL-CIO. Although differing slightly, the agreements with various affiliates in Rhode Island, Massachusetts, Vermont, and New Hampshire followed the Narragansett Electric Company contract. This one-year agreement with the Brotherhood of Utility Workers covered 2,800 workers and called for a 5.5 percent wage increase effective April 1, 1972, with an additional 0.7 percent in pension and insurance improvements. Other agreements reached in 1972 in the utility industry included the Boston Gas Company agreement with District 50 covering 1,200 workers and calling for a 5.5 percent increase effective January 10, 1972, and the Central Maine Power Co. agreement with the International Brotherhood of Electrical Workers calling for a 5.9 percent hike.

Retail Trade

In February 1972, Stop and Shop, Inc., and the Retail Clerks International Union, AFL-CIO, concluded negotiations on a new agreement covering 8,500 employees. This contract, the region's largest labor-management agreement in retail trade, was for a two-year period. Originally, the parties agreed to a 12.9 percent hike in wages for the first year, but this was reduced to 5.5 percent by Pay Board action. At the same time, Stop and Shop and the Almagamated Meat Cutters and Butchers Workers Union, AFL-CIO, had announced agreement on a one-year contract calling for a 14 percent pay hike to 1,500 employees, which was also reduced by the Pay Board to 5.5 percent. Subsequent appeals to the Pay Board on the basis that a traditional tandem relationship between the company and both unions had been broken by differences in the life of the agreements resulted in the Pay Board approving a 7 percent increase for both groups. Under the RCIA agreement, employees who had originally been scheduled to receive $28 for managers, $20 for clerks, weekly, and 40 cents hourly for part-time clerks will now receive $14 weekly, $10 weekly, and 19 cents an hour for these same classifications. Members of the Meat Cutters Union, originally scheduled to receive the same increments as the Retail Clerks, will now receive weekly $12.80 for managers and $9 for clerks and 17½ cents hourly for part-time clerks. Terms previously negotiated for the second year in the RCIA contract are subject to further review by the Pay Board.

Construction

Bargaining activity was heavy during the first-half of the year in the construction industry, and agreements were reached in May and June covering 40,000 laborers, carpenters, and bricklayers in the Massachusetts area. In

most cases, the contracts are pending action by the Construction Industry Stabilization Committee. However, among agreements approved by the CSIC in New England were the following: a 1-year agreement between the Associated General Contractors and Building Trades Employees Association and the Bricklayers Union calling for a 70-cent-an-hour increase to 1,300 workers in the Boston area, effective May 1, 1972; a 1-year agreement between the Southern Massachusetts Associated General Contractors Association and the Carpenters Union, effective June 15, 1972, calling for increases totaling 35 to 80 cents an hour over that period to 1,600 workers; and a 1-year contract between the New England Erectors Association, Boston Building Trade Employees Association and the Iron Workers Union calling for a 40-cent-hourly increase effective July 1, 1972.

Typical of union wage scales in the construction industry were the following rates in effect in Boston in October 1972: plumbers $9.35 an hour, electricians $9.10, bricklayers $8.45, carpenters $8.20, plasterers $7.55, painters $7.21, and building laborers $6.50 an hour.

Transportation

In June, the International Longshoremen's Association and Shipping Associations along the East Coast announced acceptance of the Pay Board ruling paring down their first-year wage increase from the previously negotiated 70 cents to 55 cents an hour. Approximately 3,000 members of the ILA in Boston, Portland, Providence and other New England ports were among the total of 45,000 East and Gulf Coast longshoremen affected. The Pay Board also approved the negotiated increase of 40 cents an hour for the second year, but took no action on terms for the final year.

The Massachusetts Bay Transportation Authority and the Amalgamated Transit Union, AFL-CIO, settled on a 1-year contract effective January 1, 1972. The 4,500 workers were scheduled to receive an immediate 15-cent-hourly pay hike with 7 cents additional on July 1, 1972.

Services

In August, maintenance contractors and the Building Services International Union, AFL-CIO, reached agreement on a 3-year contract covering 2,800 employees. This represents the largest concentration of organized workers in the building services industry in the region, with firms principally located in the Greater Boston, Worcester, and Springfield areas. Effective August 31, 1972, workers were scheduled to receive an increase of 12 cents an hour with 13 cents additional on September 1, 1973, 5 cents on March 1, 1974, and 15 cents on September 1, 1974.

Government

Salaries of 1.4 million Federal employees covered by the Classification Act were raised 5.5 percent in January 1972. Of this number, approximately 50,000 are located in New England. At the same time, an additional 2.6 million members of the Armed Forces received a 7.2 percent increase in base pay. On the state level, 60,000 employees of the Commonwealth of Massachusetts received a 4.3 percent pay hike effective January 1, 1972.

Deferred Increases

With bargaining activity comparatively light in 1972, there was a resultant rise in the number of workers receiving deferred increases as a result of contracts negotiated in earlier years. Some 6.7 million workers throughout the United States received deferred increases averaging 6.1 percent.

Among some of the larger concentrations of New England workers receiving increases of this type were the following: metalworking 18 to 24 cents an hour, meatpacking 25 cents, rubber 26 cents, and apparel and footwear 5 percent. Over 40,000 workers employed by the New England Telephone Co. and the Southern New England Telephone Co. received a $4.50 weekly increase in July 1972. In over-the-road and local trucking, 25,000 members of the Teamsters Union received a 25-cent-an-hour deferred wage increase on January 1, 1972.

Cost-of-Living Increases

There were more workers covered by cost-of-living clauses in 1972 than in any previous year. Over 4.3 million workers were scheduled to receive C-O-L increases as compared with only 3.0 million in 1971. The increase in coverage was mainly attributable to 1971 settlements in the steel industry, which reinstituted the escalator principle after having dropped it in 1962, and to recently negotiated contracts in the telephone industry where such clauses were incorporated for the first time.

Work Stoppages

Labor-management relations, if measured in terms of work stoppages, were relatively stable in 1972. For the first 10 months of 1972, there were 21.9 million mandays lost as a result of strikes. This was well below the average for the past five years during which as average of 49.6 million mandays were lost annually as a result of strikes in the United States.

Union Membership

Latest estimates show union membership in the United States at a record peak with 21.8 million workers belonging to unions and public employees'

associations. This represents 30.9 percent of the employed nonagricultural labor force. However, the percentage of the work force belonging to unions in all of the New England states continues to trail the average for the United States as a whole. Membership figures in terms of percentage of labor force for each state were: Rhode Island 28.1, Massachusetts 27.5, Connecticut 27.4, Maine 22, New Hampshire 21.2, and Vermont 20.9 percent. Leading the fifty states was West Virginia with 47.1 percent of its labor force belonging to unions, followed by Washington with 45.1 percent, Michigan 44.0 percent, and New York 40.1 percent.

III. MANPOWER AND EMPLOYMENT

Nonfarm Employment Gained During the Year

Since January 1972 successive monthly reports on nonfarm employment in New England have shown steady improvement over their 1971 counterparts. The favorable monthly margin was narrowest in January--about 11,900, or 0.3 percent--and widest in October when the region's employment total reached 4,595,000, about 66,900 over October 1971. During the intervening months, the advantages over 1971 widened without interruption as the region's employment, like that of the nation, moved upward in a broadly based recovery.

Despite the rough similarity between direction of its trends and those of the country at large, New England fell short of equaling the national rate of gain. From October to October, the six state improvement relative to 1971 was 1.5 percent--materially less than half the national rate of 3.8 percent. However, despite this unflattering comparison with the national gain, it should be noted that the job total of October 1972 was second only to that of booming 1969 among all recorded Octobers since the monthly record began in 1947.

In particular, manufacturing trends were less sharply upward than those of the nation.

Until June, the months of 1972 reported fewer factory jobs than similar months of 1971. But the deficits were largest in January and narrowed steadily to mid-year when they were transformed to gains. These were narrow at first, only 6,200 in June, but widened to an advantage of 24,000 by October when factory jobs totaled 1,367,900. This gain of only 1.8 percent over last year compared drably with the national rate of almost 4.0 percent.

Durable goods moved only moderately upward in the region.

There were wide interindustry variations between 1972's comparative performance of New England's durables industries which employed 743,200 in October. Transportation equipment, heavily weighted by shipbuilding and aircraft engines, lagged 4,100 jobs (-3.9 percent) behind October 1971. Other durables moved upward with fabricated metals 5,200 (5.2 percent), electrical equipment 4,500 (2.8 percent), machinery 4,400 (3.1 percent) leading the recovery. Other industries followed with lower absolute gains ranging downward to 200 in primary metals. In total the durables accounted for 15,400 more jobs in October 1972 than a year earlier. This was a relative gain of about 2.4 percent--not impressive when measured against the nearly 6.5 percent rally by the nation.

Nondurables trends also were mixed with gains predominating.

New England's workers in nondurables fabrication occupied in October 1972 nearly 625,000 jobs. This exceeded October 1971 by 8,700, or about 1.4 percent. Nationally, the same group of industries 1/ provided 8,373,400 jobs--2.0 percent over October 1971. Apart from food processing, which recorded a good employment gain in New England and a weak one nationally, there was surprising agreement in the rank order of gains by the industries over their 1971 standings, although the percentage of gains generally favored the nation over the region. Thus, rubber and plastics gained the most heavily

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1/ *For this comparison, miscellaneous manufacture is considered a nondurable category nationally as well as in New England.*

in percentage terms in both New England and the U. S. Textiles, miscellaneous manufacture, paper products, and printing and publishing occupied the next four rank positions in the nation and four of five in New England where food processing also enjoyed high place. Nationally, food processing showed the smallest relative gain with apparel, chemicals, and leather doing somewhat better. In New England, the last place was occupied by leather products, including shoes, which suffered a severe job loss (-4.7 percent) compared with the modest national gain (0.9 percent). In the region, chemical products also lost a few workers, although the industry's experience in no sense paralleled that of leather products.

Nonmanufacturing trend higher
but less buoyant than nation's.

Nonmanufacturing employment in New England totaled 3,227,300 in October 1972, a gain of 42,900 jobs, or 1.3 percent, over October 1971. Nationally, the same group of industries exceeded 1971 by about 3.6 percent. In each major industry of this category, the regional gain while moderately good was substantially less than the national one. Despite this, however, October's nonmanufacturing job total was the highest for any like month. In this, the region's experience resembled the nation's where nonmanufacturing gains outran those of factory workers by a margin of over three to one.

Long range regional trends in factory employment
heavily weighted by textiles' experience.

The long-term decline and current sluggish cyclical recovery (relative to the nation) in New England's factory employment has given rise to worried speculation over future trends. Without doubt the failure of manufacturing

jobs to increase in number is a matter of genuine concern. However, it is worth remembering that the downward drift is not general --more manufacturing industries advanced than declined over this period (10 up, 9 down) and over half of the entire impact fell upon a single industry, textiles. In October 1947 jobs in this industry numbered 278,800. Almost incredibly there remained in October 1972 only 76,400, an almost catastrophic disappearance of 202,400 jobs--over 7 of every 10 which existed in 1947! The losses of all of the other New England factory based industries which suffered losses over this span of years aggregated 196,200. Offsetting this, the 10 major factory based industries which gained employment provided 197,100 new jobs. Thus, apart from the textile debacle, New England's factory employment remained about constant since 1947.

National long-range trend in factory employment was mixed.

While these developments were underway in New England, national employment in manufacturing moved from 15,754,000 to 19,283,000, a rise of 22.4 percent. There was on the national scene no experience even remotely paralleling that of New England's textiles. However, it is worthy of note that as many as 7 national manufacturing industries declined, while 14 advanced. Interestingly, the deepest national loss also was in textiles which dropped 23 percent to 1,002,800 from 1947's 1,304,000. Other industries employing fewer in the nation in 1972 than in 1947 were lumber and wood, primary metals, food processing, tobacco products, petroleum and coal, and leather products. Two of these--petroleum and coal products and tobacco--are virtually unrepresented in New England. The others were among the job losers

regionally as well as nationally. The only durable goods industry to lose ground in New England while gaining nationally between 1947 and 1972 was machinery. Among nondurables, apparel, paper and miscellaneous manufacturing suffered losses in New England while their national counterparts moved upward.

Long-range trends in nonmanufacture have been steadily upward both regionally and nationally.

The term record of nonfactory jobs in this region, as well as that of the nation, is far more impressive than that of manufacturing employment. Measured from October 1947, when monthly statistical estimates began, New England's nonmanufacturing employment advanced from the earlier year's 1,814,300 to 1972's impressive 3,227,300. (By contrast, factory jobs went from 1,549,400 in 1947 to 1,367,900 in 1972.) While the regional industries were moving upward, so were the national ones and usually more rapidly.

Nonmanufacturing Employment

Percent Gain - 1947 to 1972

	New England	United States
Construction	73.5	68.4
Transportation & Public Utilities	1.4	8.0
Trade	60.1	74.9
Finance, Insurance & Real Estate	99.5	123.7
Business & Professional Services	136.0	142.4
Government	105.1	148.4

The increased number of jobs involved in this growth record is truly impressive:

	Gains, 1947-1972	
	New England	United States
Construction	93,600	1,481,000
Transportation & public Utilities	3,100	335,000
Trade	360,200	6,910,000
Finance, Insurance & Real Estate	127,900	2,194,000
Business & Professional Services	500,800	7,307,000
Government	354,100	8,124,000

These data serve to refute frequently voiced misgivings that New England, because of sluggish manufacturing employment trends, is somehow particularly in danger of becoming excessively service-oriented. In fact, the New England experience reflects participation in a broad, nationwide movement toward increasing engagement in nonmanufacturing employment and is in no sense unique.

Between 1947 and 1971, nonmanufacturing job gains outstripped factory employment growth numerically in every state and relatively in all but a few small ones. New England, despite its twenty-five year downtrend in factory jobs and impressive gains in nonmanufacturing, retains a heavier than national concentration in factory employment. In 1971, (last year of complete data) New England manufacturing utilized about 29.9 percent of nonagricultural employment compared to 26.2 percent for the nation. In 1947, the regional ratio was 46.3, the national 35.4 percent.

Nonmanufacturing industries offer many jobs of good quality.

Occasionally question is raised whether the quality of employment in nonmanufacturing compares favorably with that of factory work. The industry occupational matrix of the BLS shows that durable goods manufacture is composed 41 percent of what might be regarded as more desirable occupations (professional, technical, management, skilled craftsmen, official, proprietor or saleswork) compared with what many would regard as occupations of lesser attraction (operative, laborer, service workers). Nondurables manufacture has 31 percent in the first category. Among nonmanufacturing industries, the percentage in transportation is 30, public utilities 47, finance 34, insurance 47, construction 68, trade 53, real estate 59, and business and professional services 49 percent. The comparisons suggest that jobs in nonmanufacturing industries frequently are of as good quality as those offered by manufacture. Clerical occupations are omitted from the comparison since they are closely associated with all types of industry, both manufacturing and nonmanufacturing.